

CITY OF WICHITA NEIGHBORHOOD REVITALIZATION PLAN

TABLE OF CONTENTS

Executive Summary

Consistency with HUD Consolidated Plan/Requirements

Definition

CHAPTER

- I. Purpose, Findings and Stakeholder Consultation**
- II. Legal Description of Neighborhood Revitalization Areas**
- III. Assessed Valuation of Real Property**
- IV. Listing of Owners of Record in the Areas**
- V. Zoning Classifications and Land Use**
- VI. Current Conditions of Areas**
- VII. Proposal for Improving Municipal Services in the Areas**
- VIII. Eligibility Requirements for a Tax Rebate**
- IX. Criteria for Determination of Eligibility**
- X. Contents of an Application for a Tax Rebate**
- XI. Application Procedure**
- XII. Standards and Criteria for Review**
- XIII. Amount of Tax Rebate and Maximum Term**
- XIV. Neighborhood Revitalization Trust Fund**

EXECUTIVE SUMMARY

Over the past several decades, Wichita has experienced sustained economic growth. Currently, Wichita's economy is performing at near record levels of productivity and employment. The Core Area and selected residential areas have shared some of this past growth, but the majority of growth has occurred in suburban locations draining the Core Area and mature residential areas of vitality. The Core Area and selected residential areas have steadily been losing ground compared to fringe areas of the community. Urban planners refer to this effect as the "rotten donut" effect where Core Area and selected mature residential areas decline as growth moves to the urban fringes.

In response to the desire to protect the City's commitment and the City's investment in these areas and enhance the economic vitality and physical appearance of the areas, the City proposes a major, multi-year redevelopment plan. Because such a plan will require a public/private partnership, the City's role is to ensure that funds for essential improvements are provided and that complimentary public sector development takes place as a precondition for encouraging private investment.

This plan establishes the funding, procedures, programming and eligibility for the City of Wichita's Neighborhood Revitalization Plan. The Neighborhood Revitalization Plan includes the tax rebate program (K.S.A. 12-17,114 et seq.) and the HUD Neighborhood Revitalization Strategies permitted under HUD Notice 96-01. It also includes existing and new programs from the Community Development Block Grant and HOME Investment Partnership Program which are provided under the HUD Consolidated Plan. It incorporates new HUD funding under the

Economic Development Initiative/Section 108 Loan Guarantee program and includes local funding, incentives for infill housing, neighborhood assistance and public infrastructure improvements.

The intent is to provide synergistic effects from the use of focused, layered, multi-year public funding and incentives to enhance, improve and revitalize distressed areas. The City's leadership and financial resources are key elements of this strategy. This Plan provides the factual underpinnings, financial resources to be committed and the legal authority to participate in the Neighborhood Revitalization Plan.

CONSISTENCY WITH HUD CONSOLIDATED PLAN

The City's Neighborhood Revitalization Plan has been developed to concurrently meet the statutory requirements of the State Neighborhood Revitalization Act and the regulatory requirements of the HUD Neighborhood Revitalization Strategies. Accordingly, this plan has been developed in accordance with the requirements of the HUD Consolidated Plan and HUD Notice 96-01, dated January 16, 1996 regarding Neighborhood Revitalization Strategies. The City of Wichita has taken all reasonable means to meet citizen participation requirements to develop and submit HUD Neighborhood Revitalization Strategies. Further, the City chooses to formally amend its HUD Consolidated Plan to add a new Chapter X. to the City's HUD Consolidated Plan and make the Neighborhood Revitalization Plan a matter of record and public policy. By incorporating the Neighborhood Revitalization Plan into the HUD Consolidated Plan, the City will take advantage of the analysis of housing and other overlapping requirements of the HUD Consolidated Plan.

DEFINITIONS

State Neighborhood Revitalization Area-

An area which by reason of the presence of a substantial number of deteriorated or dilapidated buildings or improvements, defective or inadequate streets, incompatible land uses, faulty lot layout, deterioration of site or other improvements which substantially impairs or retards the sound growth of the city.

HUD Neighborhood Revitalization

Strategies-An area which is primarily residential and contains a high percentage of low and moderate-income households.

A plan to develop comprehensive approaches to address economic development needs and promote innovative programs in economically disadvantaged areas or neighborhoods within the community is required.

Local Investment Areas-Locally defined neighborhoods or areas located within State Neighborhood Revitalization Areas and HUD Neighborhood Revitalization Strategy Areas where federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds can be concentrated to have a significant visual impact on specific areas.

NEIGHBORHOOD REVITALIZATION PLAN WICHITA, KANSAS

I. PURPOSE, FINDINGS AND STAKEHOLDER CONSULTATION

This plan is required by state statute in order to create an incremental tax rebate program intended to encourage reinvestment and improvement of blighted, declining areas of the community pursuant to the State Neighborhood Revitalization Act. The components of the plan include establishing the Neighborhood Revitalization Area boundaries, proposals for improving municipal services and establishing local eligibility criteria and application procedures for the tax rebate program.

The Neighborhood Revitalization Plan also serves as the City's strategy to stimulate and promote the investment of human and economic capital to improve economic conditions, promote infill housing, home ownership, identifying economic needs and opportunities for individuals and small and minority businesses, and provide neighborhood assistance to help develop and sustain community organization's ability to undertake and complete projects that improve their quality of life.

Some of the reasons for undertaking such actions include the following reasons:

- City Council adopted the Comprehensive Plan which identified areas similar to the proposed Neighborhood Revitalization Areas as revitalization and reestablishment areas.
- The Neighborhood Revitalization Act provides a means to encourage redevelopment that is not a part of traditional redevelopment efforts.
- Addresses single family residential and

small businesses which are not otherwise served by traditional redevelopment efforts.

- Encourages inner City redevelopment that might not otherwise occur.
- Eliminates disincentives of increased tax payments that result from redevelopment of existing properties within the Core Area.
- Takes advantage of a redevelopment tool that the legislature and HUD have approved that has little cost but could potentially have significant results.
- Makes available revitalization tools are being used by more and more cities in Kansas.

The purpose of implementing a Neighborhood Revitalization Plan include:

- ✓ Stabilize blighted neighborhoods by rehabilitating older homes.
- ✓ Provide incentives for affordable housing to persons with limited resources.
- ✓ Encourage non-profit and religious organizations to revitalize areas and homes.
- ✓ Encourage property owners to improve businesses and homes.
- ✓ Encourage downtown housing.
- ✓ Encourage improvement of rental properties.
- ✓ Encourage infill housing.
- ✓ Eventually increase tax base and make affordable housing more available.

The governing body of the City of Wichita has determined that the Neighborhood Revitalization Areas, as hereinafter defined, are areas that meets all three conditions described in K.S.A. 12- 17,115(c) and has determined that the rehabilitation, conservation and redevelopment of such areas are necessary to protect the public health, safety and welfare of the residents of the Neighborhood Revitalization Areas and the municipality as a whole.

Further, in accordance with HUD Notice 96-01, the Neighborhood Revitalization Plan was developed in consultation with area stakeholders. A meeting was held with the Citizen Participation Central Council and representatives of each of the affected Citizen Participation Organization areas as well as representatives of Wichita Independent Neighborhoods on March 4, 1998. A meeting was held with Board of County Commissioners on March 11, 1998. Also on that date, the City held a Town Hall meeting at City Hall through a direct mailing to more than 5,000 local businesses and community organizations within the Neighborhood Revitalization Areas.

On March 10, 1998, a meeting was held with area local financial institutions. In addition, a meeting was held with School Board officials on March 11, 1998. Notice of a Public Hearing on the proposed plan was published on March 3 and March 10, 1998 and a public hearing was held by the City Council on March 17, 1998, at the regular City Council meeting. On April 7, 1998, the City Council permitted additional public comment and adopted the Neighborhood Revitalization Plan. Following the April 7, 1998 City Council meeting, a notice was published on April 9, 1998 advising all citizens the Consolidated Plan One Year Action Plan and Neighborhood Revitalization Plan, as a substantial amendment to the HUD Consolidated Plan, is available for public review and comment for a 30 day period.

II. LEGAL DESCRIPTION OF NEIGHBORHOOD REVITALIZATION AREAS

The legal description of the four Neighborhood Revitalization Areas/ HUD Neighborhood Revitalization Strategy Areas are listed below. A map depicting the Neighborhood Revitalization Area boundaries is listed in Appendix 1. The total area of the Neighborhood Revitalization Areas is 11,534 acres, or 18.02 square miles and comprises approximately 15% of the City. This includes three State Neighborhood Revitalization Areas/ HUD Neighborhood Revitalization Strategy Areas. It also includes five Local Investment Areas. The approximate acreage of each Revitalization Area is as follows: Core Area-10,859 acres; Hilltop-145 acres; and Planeview-530 acres. Parcel maps depicting the parcels included in the Neighborhood Revitalization Areas are listed in Appendix 2.

The Neighborhood Revitalization Areas are legally described as follows:

CORE AREA

Beginning at the intersection of the center lines of 37th Street North and Market; thence west along the center line of 37th Street North to the center line of Arkansas Avenue; thence south along the center line of Arkansas Avenue to 18th Street, thence west to the east bank of the Little Arkansas River; thence south along the east bank of the Little Arkansas River to the confluence of the Little and Big Arkansas Rivers; thence westerly along the south bank of the Big Arkansas River to the intersection of the center lines of Meridian and Central Avenues; thence west along the center line of Central Avenue to the east edge of the Big Ditch; thence south along the east edge

of the Big Ditch to the center line of Maple Avenue; thence east along the center line of Maple Avenue to its intersection with the center line of Sheridan Avenue; thence south along the center line of Sheridan Avenue to its intersection with the center line of Harry Street; thence east along the center line of Harry Street to Hydraulic Avenue; thence north along the center line of Hydraulic Avenue to Douglas Avenue; thence east along the center line of Douglas Avenue to Hillside Avenue; thence north along the center line of Hillside Avenue to 8th Street; thence east along the center line of 8th Street to Oliver; thence north along the center line of Oliver to its intersection with 17th Street; thence west along the center line of 17th Street to Hillside Avenue; thence north along the center line of Hillside Avenue to 25th Street; thence east along the center line of 25th Street to its intersection with Iva Avenue; thence north along the center line of Iva Avenue to its intersection with 27th Street; thence west along the center line of 27th Street to its intersection with Hillside Avenue; thence south along the center line of Hillside Avenue to its intersection with 25th Street; thence west along the center line of 25th Street to I-135; thence south along the east edge of I-135 to 21st Street; thence west along the center line of 21st Street to its intersection with the Missouri Pacific RR tracks; thence southwesterly along the east edge of the Missouri Pacific RR tracks to their intersection with the ATSF RR tracks; thence northwesterly to the center line of Market Street; thence north along the center line of Market Street to the point of beginning.

Also included as Neighborhood Revitalization Areas are:

PLANEVIEW

Beginning at its intersection of the center line of Hillside with the center line of Pawnee Avenue; thence south along the center line of Hillside Avenue to the center line of 31st Street South; thence east along the center line of 31st Street South to its intersection with the Kansas Turnpike; thence northeasterly along the west edge of the Kansas Turnpike to its intersection with the center line of George Washington Boulevard; thence along the center line of George Washington Boulevard in a northwesterly direction to its intersection with the center line of Pawnee Avenue; thence west along the center line of Pawnee Avenue to the point of beginning; and

HILLTOP

Beginning at the intersection of the center lines of Lincoln Avenue and Bluffview Street; thence south along the center line of Bluffview Street to its intersection with the center line of Harry Street; thence east along the center line of Harry Street to its intersection with the center line of Oliver Avenue; thence north along the center line of Oliver Avenue to its intersection with the center line of Lincoln Avenue; thence west along the center line of Lincoln Avenue to the point of beginning; and

As a matter of local policy, the City Council has established five Local Investment Areas within the Neighborhood Revitalization Areas to focus resources designed to have a positive visual impact on the Areas and provide an incentive for private investment. The Local Investment Areas are subject to change by a majority vote of the City Council.

The boundaries of the Local Investment Areas are as follows:

ORCHARD BREEZE

Beginning at the intersection of the center line of Central Avenue and the east edge of the Big Ditch; thence south along the east edge of the Big Ditch to its intersection with the center line of Maple Avenue; thence east along the center line of Maple Avenue to its intersection with the center line of West Street; thence north along the center line of West Street to its intersection with the center line of Douglas Avenue; thence west along the center line of Douglas Avenue to its intersection with the center line of Elder Avenue; thence north along the center line of Elder Avenue to its intersection with the center line of Second Street; thence east along the center line of Second Street to its intersection with the center line of West Street; thence north along the center line of West Street to its intersection with the center line of Central Avenue; thence west along the center line of Central Avenue to the point of beginning.

PLANEVIEW

Beginning at its intersection of the center line of Hillside with the center line of Pawnee Avenue; thence south along the center line of Hillside Avenue to the center line of 31st Street South; thence east along the center line of 31st Street South to its intersection with the Kansas Turnpike; thence northeasterly along the west edge of the Kansas Turnpike to its intersection with the center line of George Washington Boulevard; thence along the center line of George Washington Boulevard in a northwesterly direction to its intersection with the center line of Pawnee Avenue; thence west along the center line of Pawnee Avenue to the point of beginning; and

HILLTOP

Beginning at the intersection of the center lines of Lincoln Avenue and Bluffview Street; thence south along the center line of Bluffview Street to its intersection with the center line of Harry Street; thence east along the center line of Harry Street to its intersection with the center line of Oliver Avenue; thence north along the center line of Oliver Avenue to its intersection with the center line of Lincoln Avenue; thence west along the center line of Lincoln Avenue to the point of beginning; and

NORTH CENTRAL

Beginning at the corner of 25th street and Arkansas , East to its intersection with Market Street; south along Market Street to 9th Street, then west to Waco Avenue, jog north on Waco to 9th Street, west to Lewellen, north to 13th, jog west on 13th to Little Arkansas River, north along river to 18th street; jog east to Arkansas, north to 25th and Arkansas.

NORTHEAST

Beginning at the corner of 21st and Washington, South to 8th Street, East to Oliver, North on Oliver to 17th, west to Hillside, north to 25th, east to Iva, north to 27th, west to corner of 27th & Hillside; south to 25th, west on 25th to I-135, south to 21st; west to Washington.

III. ASSESSED VALUATION OF REAL PROPERTIES

The assessed valuation of the real estate in the Neighborhood Revitalization Areas for the 33,449 parcels is:

Land	\$ 59,012,358
Buildings	\$144,408,859
Total Assessed Value	\$203,421,217

IV. OWNERS OF RECORD IN THE AREAS

Each owner of record of each parcel of land is listed with the property address in the Sedgwick County Appraisers office.

V. ZONING CLASSIFICATIONS AND LAND USE

A zoning classification map for the Neighborhood Revitalization Areas and a current Land Use map are listed in Appendixes 3 and 4, respectively. A Proposed Land Use map is listed in Appendix 5. This map is taken from the document entitled "Preparing for Change", Wichita- Sedgwick County Comprehensive Plan developed pursuant to K.S.A. 12-747(a). As noted in the Current Land Use Map, the four Neighborhood Revitalization Areas and the five Local Investment Areas are primarily residential.

VI. CURRENT CONDITIONS OF AREAS

According to the City's Comprehensive Plan, the Wichita's population is projected to grow by 41,000, from 304,011 to 345,162 during the period 1990-2010. However, very little of this growth is projected to occur in

the Neighborhood Revitalization Areas. In fact, such areas are projected to *decrease* in population by 11,000 persons during the same time period. The loss of population and businesses from the mature parts of the City has resulted in an erosion of property values, disinvestment and physical decline. Since the termination of the federal Urban Renewal Program in the 1970's , Wichita has not comprehensively addressed the declining inner city with the exception of Old Town and Downtown. While these two initiatives are appropriate, its ultimate success will depend on avoiding the common syndrome of other cities whose downtown have become islands surrounded by blight.

The City's Comprehensive Plan identifies the Neighborhood Revitalization Areas as areas appropriate for Revitalization or Reestablishment. The Comprehensive Plan defines these terms as follows:

Revitalization

Areas that are experiencing some decline, but good market and development opportunities exist. The objective of treatment of these areas would be to stabilize the area and increase its attractiveness to private investors.

Reestablishment

Severely deteriorated areas in which the market conditions have changed enough that little reinvestment is occurring, people are moving out faster than they are moving in, and in some cases, land use is in transition from their original use to other uses. Solutions to these areas require attention to not only physical problems, but also social and economic concerns.

Wichita is in the enviable position of having more jobs than qualified applicants. The City's current unemployment rate is 3.3%, or approximately a full employment economy. This compares to a national unemployment rate of 4.7%. While there is a large pool of unskilled labor in Wichita, many lack the basic skills necessary to meet minimum entry level requirements to begin training. Skilled labor is in short supply creating a "bidding war" between local companies. In addition, high skilled jobs take 4-6 years of training cannot be simply generated quickly or in sufficient number to meet current demand within a reasonable time frame.

The short-term labor demand in machine and manufacturing professions total approximately 4,000 positions. About 1,000 of these positions are for professional engineers while the majority of the opening (3,000) are for technical and production workers requiring 2-4 years of training. However, labor shortages are not limited to machine and manufacturing. Retail and service industries are increasingly finding it difficult to recruit and retain sufficient numbers of employees. During the last Christmas season, many local retailers could not recruit sufficient staff to meet holiday demands.

The new Hyatt Regency Hotel which opened in October, 1997 has had a difficult time attracting and retaining service staff, despite paying good wages.

Fundamentally there are no easy answers to resolving the issues of labor shortages because of the multifaceted nature of the problem. Companies are under intense pressure to reduce costs while maintaining or improving product lines and corporate performance. The competition from other companies and the field as a whole has

grown more competitive. Many companies view employment and related information as proprietary, the release of which may give an advantage to its competitors. Larger companies can afford to engage in higher cost training and wages to attract employees, often at the expense of smaller local companies. High school students with good math and communication skills are not available or not interested in manufacturing or service jobs because of the perception of the work being less desirable and the high degree of instability in long term employment.

Within the Neighborhood Revitalization Areas there are more than 5,000 businesses ranging from retail to manufacturing. The Areas encompass many of the City's financial institutions and a large percentage of professional positions. Many service and entry level positions are available in area restaurants and hotels. The areas do have access to services such as gas stations, drug stores and related services. One of the missing elements in services for the Areas relate to the lack of full service grocery stores. There are very few grocery stores within the Areas, particularly in the Northeast portion. In most cases, residents have to drive outside of the area to obtain full service grocery stores.

Access to capital within the Areas has been not been a major problem according to lending institutions. The funds are available. Although many financial institutions have created affordable housing products and other loan packages, the number of small and minority firms which can secure capital has been limited.

Primarily this is a result of a lack of understanding and education regarding the need for business plans, market analyses, pro forma, sources and uses statements and the type of documentation to consummate a successful business loan. It also is due to a lack of personal capital or equity injection funds. It is in this latter area that EDI/108 loan funds can be of great benefit to small businesses. Banks, in particular, have opened branch banks within the Areas and provided significant investment in the Areas. But this has not resulted in increases in the number of small and minority business owners.

Within the Neighborhood Revitalization Areas, there are a number of economic development organizations, both large and small, to assist in economic development efforts. The four largest aerospace manufacturers have developed a team called "Flying in Formation" whose goal is to use a number of means to increase the pool of labor support the aviation industry. Wichita-Sedgwick County Area Chamber of Commerce provides a number of services to assist business and to help address the current labor shortages. One of the Chamber's efforts include the Business Education Success Team (BEST) designed to improve student work skills and basic skills to meet the current needs of employers.

Other economic development organizations include the South Central Kansas Economic Development District which is a 501 (c)(3) and a small business investment corporation, State of Kansas Department of Commerce and Housing, five Community Housing and Development Organizations (CHDOs), and two Community Development Corporations.

Demographics of Neighborhood Revitalization Areas/ HUD Revitalization Strategy Areas

Listed in the following tables are selected data for the Neighborhood Revitalization Areas. The first table contains data comparing the totals of all four Neighborhood Revitalization Areas with the City as a whole. The second table lists demographic information for each individual Neighborhood Revitalization Area. A comparison of the City data to the Neighborhood Revitalization Strategy Areas as a whole, reveals the following:

- ✓ The Neighborhood Revitalization Areas have twice the city average of minority households.
- ✓ 63% of all households in the Neighborhood Revitalization Areas are low or moderate income.
- ✓ The median household income in the Neighborhood Revitalization Areas is 66% of the city median income.
- ✓ The Neighborhood Revitalization Areas have double the poverty rate of the city (26% versus 12%).
- ✓ The unemployment rate in the Neighborhood Revitalization Areas is almost twice the city-wide rate of unemployment.
- ✓ The percentage of vacant housing units in the Neighborhood Revitalization Areas is almost double the city average.
- ✓ Renter occupied housing units makes up a majority of the housing units in the Neighborhood Revitalization Areas while owner occupied housing is predominant in the city.
- ✓ The Neighborhood Revitalization Areas have more the double the city average of the number of houses built before 1939.

Table 1
Totals for City and Neighborhood Revitalization Areas

	City of Wichita	City of Wichita (excluding NRAs)	Neighborhood Revitalization Areas
Population	304,011	228,493	75,409
White	250,552	203,945	47,482
Minority	53,459	24,548	17,927
Percent Minority	17.58 Percent	10.34 Percent	23.77 Percent
Low/Mod Income	117,114	71,943	45,212
Low/Mod Universe	297,181	225,198	70,921
Low/Mod Percent	39.41 Percent	31.95 Percent	63.75 Percent
Number of Households	123,682	93,653	29,965
Median Income	\$28,024	\$31,029	\$18,403
Per Capita Income	\$14,516	\$16,256	\$9,073
# of Persons Below Poverty	37,321	18,205	19,126
Poverty Universe	299,234	276,846	72,296
Percent Below Poverty	12.47%	8.03 Percent	26.46 Percent
Number Employed	149,768	117,683	31,851
Number Unemployed	9,323	5,524	3,819
Percent Unemployed	5.86 Percent	4.49 Percent	10.71 Percent
Housing Units	135,069	99,880	35,083
Occupied	123,249	93,321	29,858
Vacant	11,820	6,559	5,225
Percent Vacant	8.75 Percent	6.57 Percent	14.89 Percent
Owner Occupied	72,630	58,684	13,890
Renter Occupied	50,619	34,637	15,968
Percent Renter Occupied	41.07 Percent	37.12 Percent	53.48 Percent
# housing units 1939 or earlier	20,105	7,347	12,720
% housing units 1939 or earlier	14.88 Percent	7.36 Percent	36.26 Percent
Median Year Built	1958	1962	1947
Owner Occupied Value	\$56,100	\$63,032	\$35,844
Median Rent	395	\$419	\$342

Table 2
Demographics of Each Neighborhood Revitalization Area

	Core Area	Planeview	Hilltop
Population	69,270	4,246	1,893
White	43,623	2,357	1,502
Minority	25,647	1,889	391
Percent Minority	37.02 Percent	44.49 Percent	20.66 Percent
Low/Mod Income	40,672	3,188	1,352
Low/Mod Universe	65,019	4,155	1,747
Low/Mod Percent	62.55 Percent	76.73 Percent	77.39 Percent
Number of Households	27,764	1,332	869
Median Income	\$18,655	\$15,038	\$15,518
Per Capita Income	\$9,274	\$6,239	\$8,079
# of Persons Below Poverty	16,712	1,798	616
Poverty Universe	67,018	4,183	1,095
Percent Below Poverty	24.94 Percent	42.98 Percent	56.26 Percent
Number Employed	29,944	1,228	679
Number Unemployed	3,588	163	68
Percent Unemployed	10.70 Percent	11.72 Percent	10.51 Percent
Housing Units	32,352	1,742	989
Occupied	27,691	1,315	852
Vacant	4,661	427	137
Percent Vacant	14.41 Percent	24.51 Percent	13.85 Percent
Owner Occupied	13,093	382	415
Renter Occupied	14,598	933	437
Percent Renter Occupied	52.72 Percent	70.95 Percent	51.29 Percent
# housing units 1939 or earlier	12,438	146	136
% housing units 1939 or earlier	38.45 Percent	8.38 Percent	13.75 Percent
Median Year Built	1947	1945	1945
Owner Occupied Value	\$36,916	\$20,100	\$16,500
Median Rent	\$344	\$311	\$331

VII. PROPOSALS FOR IMPROVING MUNICIPAL SERVICES IN THE AREAS

As stated earlier one of the needs is to meet the needs for unmet services, affordable housing, jobs and lending within the Areas. To address these needs, a comprehensive menu of services has been developed to address many of these needs. The services to be provided under the Neighborhood Revitalization Plan include the following:

MENU OF SERVICES

Neighborhood Revitalization Areas **(State/HUD)**

Infill Housing Incentives
Economic Development Loans
Tax Rebates
Neighborhood Assistance

NEIGHBORHOOD REVITALIZATION AREA PROGRAMS

INFILL HOUSING INCENTIVES

Funding Source: Various

- ✓ Create a pool of funds to assist homeowners with down payment costs. Contributions to this fund would be from neighboring businesses who would offer incentives first to their employees and then to other qualified applicants.
- ✓ Develop program with local lenders to waive or lower up-front lending costs (such as loan origination fees and inspection fees).
- ✓ Work to develop program to waive or discount building permit fees (fees estimated at \$600-\$700 could be reduced

Local Investment Areas

Infill Housing Incentives
Economic Development Loans
Tax Rebates
Neighborhood Assistance

CDBG Neighborhood
Stabilization (\$700,000)
CDBG/HOME Local Investment
Area Improvements
(\$2.4 million per year of existing programs)

by 50% or waived).

- ✓ Consider waiving or reducing plant equity fees and tap fees for water and sewer hook-ups (plant equity fees are estimated at \$1,700 in 1998 and includes a \$330 tap fee).
- ✓ Assemble land for infill projects for developers who have a redevelopment plan that can be implemented immediately as opportunities arise.
- ✓ Utilize Sedgwick County Mortgage Revenue Bond program to provide long term loan commitments (set interest rates).

- ✓ Utilize Sedgwick County Mortgage Credit Certificate Program which provides tax credit incentives of up to 20% on mortgage loan.
- ✓ Utilize State Low Income Housing Tax Credits for rental properties.
- ✓ Develop program with area lenders to provide a pool for grants/loans for rehabilitation of deteriorated homes in target area.

ECONOMIC DEVELOPMENT Funding Source: \$3,000,000 EDI/108

Apply for a HUD Economic Development Initiative grant in the amount of \$1 million and leverage with \$2 million of HUD Section 108 Loan Guarantee funds and develop with local lenders a small/minority business loan pool operated by local lenders. When the City submits the EDI/108 application, it will include targeting of small and minority businesses outside of the Central Business District. EDI funds would be used to:

- ✓ Over collateralize Section 108 Loans.
- ✓ Loan loss reserves.
- ✓ Standby letter of credit.
- ✓ Below market rate loans.

TAX REBATES Funding Source: NRA

Provides tax rebates for new construction, additions to existing property and rehabilitation. The amount of the tax rebate is based the value of building permit and is established for five years, subject to exclusions and restrictions, as follows: 95% for single family residential; 75% for non-residential and multi-family; and 95% for historic properties.

NEIGHBORHOOD ASSISTANCE Funding Source: General Fund

Funds would be provided for a matching grants program for community organizations to identify, design and complete projects that improve the quality of life within their neighborhoods. For example, the City has committed \$40,000 to the Matching Playground Fund. Very modest assistance may also be provided for basic services to newly formed and/or struggling neighborhood groups.

LOCAL INVESTMENT AREA PROGRAMS

ALL OF THE ABOVE PROGRAMS PLUS

CDBG NEIGHBORHOOD STABILIZATION Funding Source: \$700,000 CDBG

Neighborhood Clean Up **\$10,000 CDBG**
Clean up all trash, weeds, brush, junk cars, dead trees and remove from targeted area.

Public Facility Improvements **\$190,000 CDBG**

Construct or reconstruct streets, sidewalks, curbs, gutters, park improvements for existing parks, recreational facility improvements and removal of architectural barriers.

Housing Improvements/Economic Development **\$500,000 CDBG**

Provide \$150,000 for a competitive RFP for Minor Home Repair services targeted to the Local Investment Areas and provide \$350,000 for housing improvements and economic development activities.

LOCAL INVESTMENT AREA
IMPROVEMENTS Funding Source: \$2
million CDBG/HOME

Commit up to \$2.4 million dollars per year in local investment areas using existing CDBG and HOME funded programs such as:

- Neighborhood Improvement Program (NIP)
- Home Ownership 80/50
- HOME Infill Housing
- Paint Grant
- Deferred and Direct Loans
- Emergency Grants/Loans
- Urban Homesteading
- Rehabilitation and Investment (RIP) program
- HOME Community Housing and Development programs
- CDBG streets, sidewalks and curb and gutter improvements

This will focus greater than 90% of net new available CDBG funds into Local Investment Areas, exclusive of Public Services and Planning and Administration costs. It will also focus approximately 70% of available HOME funds into the Local Investment Areas to have a significant visual impact on the areas.

Community groups willing and able to assist in economic development efforts include the following: “Flying in Formation”, Wichita Sedgwick County Area Chamber of Commerce, South Central Kansas Economic Development District, State of Kansas Department of Commerce and Housing, five Community Housing and Development Organizations (CHDOs), and two Community Development Corporations. The City has been actively working with Power CDC to develop affordable single family homes on 21st Street and to develop a full service grocery store at 13th and Grove. The

City and Cessna Aircraft Company partnered to develop the 21st Street Learning and Work Campus to provide job training and employment for disadvantaged area residents. This \$5 million dollar facility opened in October, 1997 and is expected to generate a minimum of 115 new low/moderate income jobs over the first three years of operation. The City is actively working with minority business in Planeview to develop a manufacturing facility and create additional Planeview area jobs.

A number of fledgling projects initiated but not completed within the Neighborhood Revitalization Areas including Community Arts Center; Woolworth Park; Hilltop Center/Horizon Gym renovation; continued development of Old Town; Midtown Community Resource Center; Hispanic Center; 21st and Oliver; Orpheum Theater renovation and the Eaton Hotel renovation. These projects are or will be pursued as funding becomes available.

To assist in guiding redevelopment plans, the City has actively worked with neighborhood residents and associations in Northeast Wichita and Planeview to develop comprehensive neighborhood revitalization plans for these areas. The neighborhood sector plans were developed by the City’s Metropolitan Area Planning Department based on grass roots citizen input from these neighborhoods over a period of several months. These redevelopment plans are summarized in Appendix 6, ‘Planeview Neighborhood Redevelopment Strategy’ and Appendix 7, ‘Wichita’s Northeast, Rediscovering Community’. There will be challenges to redevelopment of the Areas. The lack of capital for small and minority businesses, employment and affordable housing are a few of the major challenges.

It is hoped the combination of the tax rebate program coupled with the EDI/108 Loan Guarantee program, in cooperation with area lenders will improve access to capital. The inexperience of community groups is also challenge which is why local tax funds will be committed to provide neighborhood assistance for community organizations to develop, design and complete project that improve their quality of life. In addition, HOME funds will be used to assist and expand the capacity of CHDO organizations.

The issue of crime and the perceptions of crime will also be a challenge. However, the City has implemented Community Policing city-wide and has developed active anti-crime programs in cooperation with Neighborhood Associations that have documented reductions of crime in excess of 50% in some areas. Community Policing, Weed and Seed and Neighborhood Environmental Court are key elements, in partnership with citizens and Neighborhood Associations, that will address the issues of public safety.

It also expected that meaningful jobs will be created by the loan pool previously mentioned. Construction and renovation jobs will be created the tax rebate program and focused use of CDBG and HOME housing funds in the Revitalization Areas. Job training funds will be provided to assist appropriate businesses with access to training capital for low and moderate income workers and the Cessna 21st Street Learning and Work Campus will provide a minimum of 115 new jobs over the next three years. It is anticipated that training funds may be used for on-the-job training and/or classroom training, including GED if required by the employer, or in other ways that would compliment and assist employers. The training may be targeted at new and expanding industry and businesses

and be tailored to match employer's needs. Where possible, the City will explore using Kansas Industrial Training (KIT) funds, Kansas SKIL funds, federal Job Training Partnership Act and KanWork training funds to leverage training efforts.

Downtown housing is a high priority for the City of Wichita. It would compliment the \$75 million dollar local public investment already committed for redevelopment of downtown. However, the City of Wichita will not use CDBG funds to support multi-family housing projects in the Central Business District unless a portion of the housing units are occupied by low or moderate income households.

Benchmarks

The *estimated* benchmarks which are achievable include the following. As additional information is developed, the benchmarks will be updated:

- Elimination of 50 blighted structures
 - 44 Core Area
 - 1 Hilltop
 - 2 Planeview
 - Orchard Breeze
- Provide three homes for sale as urban homesteading units (Core Area)
- Provision of tax rebates to 50 owners
 - 44 Core Area
 - 1 Hilltop
 - 2 Planeview
 - 3 Orchard Breeze
- Construction of 12 new housing units
 - Core Area
 - 1 Planeview
 - 1 Orchard Breeze
- Creation of a minimum of 115 low/mod jobs over three years (Northeast)

- Provide home ownership financial assistance to 77 households
 - Core Area
 - 1 Hilltop
 - 4 Planeview
 - 5 Orchard Breeze
- Provide 115 paint grants
 - 101 Core Area
 - 1 Hilltop
 - 6 Planeview
 - 7 Orchard Breeze
- Provide 4 direct or deferred loans (Core Area)
- Provide Emergency Loans/Grants to 130 households
 - 114 Core Area
 - 1 Hilltop
 - 7 Planeview
 - 8 Orchard Breeze
- Provide 6,520 lineal feet of curb and gutters
 - 5,738 Core Area
 - 65 Hilltop
 - 326 Planeview
 - 391 Orchard Breeze
- Provide 14,000 sq.ft. of six inch driveways
 - 12,320 Core Area
 - 140 Hilltop
 - 700 Planeview
 - 840 Orchard Breeze
- Provide 2,060 sq. yds. of six inch pavement
 - 1,812 Core Area
 - 21 Hilltop
 - 103 Planeview
 - 124 Orchard Breeze
- Provide 5,110 sq. ft. of four inch sidewalks
 - 4,496 Core Area
 - 51 Hilltop
 - 256 Planeview
 - 307 Orchard Breeze
- Provide 29,400 sq.ft. of four inch sidewalks
 - 25,872 Core Area
 - Hilltop
 - 1,470 Planeview
 - 1,764 Orchard Breeze
- Provide 85 wheel chair ramps
 - Core Area
 - Hilltop
 - Planeview
 - Orchard Breeze
- Completion of **\$147 million** dollars in public infrastructure projects in the Neighborhood Revitalization Areas listed below by NRA

CORE AREA

PROJECT TYPE	PROJECT TITLE	PROJECT AMOUNT	COMPLETION YEAR	PROJECT DESCRIPTION
Water	Unidentified Water Mains*	\$3,000,000.00	Yearly	Extending main water lines
Water	Water main replacement program*	350,000.00	Yearly	Replacing old mains
Water	Seneca, Kellogg to McLean	385,000.00	1999	Main replacement with paving projects
Water	Northeast Transmission Facility	17,100,000.00	2000	48" and 42" transmission lines
Water	First St, Waco to Santa Fe	400,000.00	2002	Replacement of main
Water	Meridian, Central to Burton	1,500,000.00	1998	New 36" main
Water	Meter replacement program	6,265,000.00	1999	Replacement of meters
Water	19 th N., Washington to Santa Fe	110,000.00	1998	Water main
Sewer	Reconstruction of sanitary sewers*	3,700,000.00	Yearly	Replace old sewers
Sewer	Inflow/Infiltration removal program*	500,000.00	Yearly	Decrease sewer loading
Arterial	Central, West to Meridian	2,700,000.00	1998	5 lane arterial
Arterial	Meridian, Maple to Central	1,900,000.00	1998	3 lane arterial
Arterial	Broadway, Kellogg to Douglas	1,900,000.00	1998	4 lane arterial
Arterial	21st N., Hood to Broadway	2,879,000.00	2000	5 lane arterial
Arterial	17th N., Broadway to Canal	2,520,000.00	2001	5 lane arterial
Arterial	Broadway, Douglas to Central	1,900,000.00	1998	4 lane arterial
Residential St.	19th N., Mosley to Santa Fe	135,000.00	1998	Residential street paving
Residential St.	Santa Fe, 19th N. to ½ block S	89,000.00	1998	Residential street paving
Residential St.	Waco, 32nd N to 33rd N	105,000.00	1998	Residential street paving
Alley Pavement	Alley @ Main & Market; 8th to 9th	58,000.00	1998	Alley paving
Street Reconstruction	Mead - Douglas to 1 st	262,000.00	1998	4 lane paving
Street Reconstruction	Wichita - Lewis to Kellogg	350,000.00	1999	4 lane paving
Street Reconstruction	Old Town	25,000.00	1998	Street reconstruction
Street Reconstruction	Museum District	2,800,000.00	2000-2001	Street reconstruction
Drainage Improvement	Canal lining - Douglas to 10th	4,030,000.00	2000	Drainage
Drainage Improvement	10th Street Outfall	720,000.00	2002	Drainage

CORE AREA PAGE 2				
PROJECT TYPE	PROJECT TITLE	PROJECT AMOUNT	COMPLETION YEAR	PROJECT DESCRIPTION
Drainage Improvement	1st & 2nd Street Drainage Outfalls	2,500,000.00	2003	Drainage
Drainage Improvement	Maple Street Area Drainage	3,600,000.00	2005	Drainage
Transit	SAM Facility (GO)	1,417,000.00	1999	SAM Facility (GO)
Public Buildings	Art Museum Entrance	1,100,000.00	1998	Art Museum Entrance
Public Buildings	Century II Renovation	414,000.00	1998	Century II Renovation
Public Buildings	Halon Replacement	207,000.00	1998	Halon Replacement
Public Buildings	Health Dept. Parking Lot	75,000.00	1998	Health Dept. Parking Lot
Public Buildings	CMF Sewer Maintenance Improv.	100,000.00	1998	Study
Public Buildings	LDS Combined Renovation	1,727,000.00	2001	LDS Combined Renovation
Public Buildings	CII Parking Renovation	480,000.00	2001	CII Parking Renovation
Public Buildings	Historical Museum A/C Replace	60,000.00	1999	Historical Museum A/C Replace
Public Buildings	City Hall Carpet Replacement	200,000.00	2001	City Hall Carpet Replacement
Public Buildings	City Hall Chiller Replacement	407,000.00	2005	City Hall Chiller Replacement
Public Buildings	Recreation Center HVAC Replacement	83,000.00	2005	Recreation Center HVAC Replacement
Public Buildings	Expo Hall Rooftop Replacement	775,000.00	1999	Expo Hall Rooftop Replacement
Public Buildings	CII Loge Seating Replacement	1,350,000.00	2000	CII Loge Seating Replacement
Public Buildings	City Hall Roof Replacement	67,000.00	2004	City Hall Roof Replacement
Park & Recreation	Arkansas River Bike Path	90,000.00	1998	West bank - 13th to Seneca
Park & Recreation	Big Arkansas River Corridor	173,000.00	1999	Repair existing pedestrian amenities
Park & Recreation	Naftzger Park	90,000.00	1998	Rehabilitate existing park amenities
Park & Recreation	Heritage Park	30,000.00	1998	New benches & railing repair
Park & Recreation	Oak Park	100,000.00	2005	Develop paths & provide parking
Park & Recreation	Ralph Wulz Tennis Complex	350,000.00	2005	Resurface courts
Park & Recreation	Riverside Park System	2,200,000.00	2003	Major park modifications
Park & Recreation	West Side Athletic Filed	170,000.00	2000	Pave lot, light & plumbing replacement
Park & Recreation	Woodland Park	168,000.00	2000	Rehabilitate facilities
Park & Recreation	Swimming Pools/Park Improvements*	228,000.00	2000	Rehabilitate facilities

CORE AREA PAGE 3				
PROJECT TYPE	PROJECT TITLE	PROJECT AMOUNT	COMPLETION YEAR	PROJECT DESCRIPTION
Park & Recreation	Bikeway System*	150,000.00	Ongoing	Repair & replace existing bikepaths
Park & Recreation	Courts (Tennis & Basketball)*	330,000.00	Ongoing	Repair or remove courts
Park & Recreation	Land Acquisition/Development*	247,800.00	Ongoing	Purchase new land or develop existing
				- Total yearly expense is an average
Park & Recreation	Park Lighting*	50,000.00	Yearly	Replace or provide lighting
Park & Recreation	Sidewalks & Park Paths*	40,000.00	Yearly	Construct & repair sidewalks & paths
Park & Recreation	Pocket Park	410,000.00	1998	Park & Recreation
Park & Recreation	Riverbank Improvement	4,625,000.00	1998-1999	Park & Recreation
Park & Recreation	Amphitheater	940,000.00	1999	Park & Recreation
Park & Recreation	Core Area Facility	2,825,000.00	2000-2001	Park & Recreation
Park & Recreation	Cowtown	825,000.00	1998	Park & Recreation
Park & Recreation	Indian Center	2,980,000.00	2003	Park & Recreation
Park & Recreation	Waterwalk	500,000.00	1999	Park & Recreation
Park & Recreation	Playground Rehabilitation & Equipment*	40,000.00	Yearly	Rehabilitate playgrounds

TOTAL CORE AREA \$87,806,800.00

* The total amount listed is the project total and must be expended for the City as a whole. Only a portion of the total would be utilized in the NRAs but determining a specific amount is not possible at this time.

<u>ORCHARD PARK</u>				
PROJECT TYPE	PROJECT TITLE	PROJECT AMOUNT	COMPLETION YEAR	PROJECT DESCRIPTION
Water	Unidentified Water Mains	\$3,000,000.00	Yearly	Extending main water lines
Water	Water Main Replacement Program	3,500,000.00	Yearly	Replacing old mains
Water	Meter Replacement Program	6,265,000.00	1999	Replace inaccurate meters
Sewer	Reconstruct Sanitary Sewers	3,700,000.00	Yearly	Replace old sanitary sewer
Sewer	Inflow/Infiltration Removal Program	500,000.00	Yearly	Decrease sewer download
Arterial	Central - I-235 to West Street	2,700,000.00	1998	5 lane arterial
Residential Street	Newell - Sheridan to Mt. Carmel	40,000.00	1998	Residential street paving
Park & Recreation	Swimming Pools/Park Improvements*	228,000.00	2000	Rehabilitate facilities
Park & Recreation	Bikeway System*	150,000.00	Ongoing	Repair & replace existing bikepaths
Park & Recreation	Courts (Tennis & Basketball)*	330,000.00	Ongoing	Repair or remove courts
Park & Recreation	Land Acquisition/Development*	247,800.00	Ongoing	Purchase new land or develop existing
				- Total yearly expense is an average
Park & Recreation	Park Lighting*	50,000.00	Yearly	Replace or provide lighting
Park & Recreation	Sidewalks & Park Paths*	40,000.00	Yearly	Construct & repair sidewalks & paths
Park & Recreation	Playground Rehabilitation & Equipment*	40,000.00	Yearly	Rehabilitate playgrounds

TOTAL ORCHARD PARK

\$20,790,800.00

* The total amount listed is the project total and must be expended for the City as a whole. Only a portion of the total would be utilized in the NRAs but determining a specific amount is not possible at this time.

HILLTOP				
PROJECT TYPE	PROJECT TITLE	PROJECT AMOUNT	COMPLETION YEAR	PROJECT DESCRIPTION
Water	Unidentified Water Mains	\$3,000,000.00	Yearly	Extending main water lines
Water	Water Main Replacement Program	3,500,000.00	Yearly	Replacing old mains
Water	Meter Replacement Program	6,265,000.00	1999	Replace inaccurate meters
Sewer	Reconstruct Sanitary Sewers	3,700,000.00	Yearly	Replace old sanitary sewer
Sewer	Inflow/Infiltration Removal Program	500,000.00	Yearly	Decrease sewer download
Park & Recreation	Swimming Pools/Park Improvements*	228,000.00	2000	Rehabilitate facilities
Park & Recreation	Land Acquisition/Development*	247,800.00	Ongoing	Purchase new land or develop existing
				- Total yearly expense is an average
Park & Recreation	Park Lighting*	50,000.00	Yearly	Replace or provide lighting
Park & Recreation	Sidewalks & Park Paths*	40,000.00	Yearly	Construct & repair sidewalks & paths
Park & Recreation	Playground Rehabilitation & Equipment*	40,000.00	Yearly	Rehabilitate playgrounds

TOTAL HILLTOP

\$17,570,800.00

* The total amount listed is the project total and must be expended for the City as a whole. Only a portion of the total would be utilized in the NRAs but determining a specific amount is not possible at this time.

PLANEVIEW				
PROJECT TYPE	PROJECT TITLE	PROJECT AMOUNT	COMPLETION YEAR	PROJECT DESCRIPTION
Water	Unidentified Water Mains	\$3,000,000.00	Yearly	Extending main water lines
Water	Water Main Replacement Program	3,500,000.00	Yearly	Replacing old mains
Water	Meter Replacement Program	6,265,000.00	1999	Replace inaccurate meters
Sewer	Reconstruct Sanitary Sewers	3,700,000.00	Yearly	Replace old sanitary sewer
Sewer	Inflow/Infiltration Removal Program	500,000.00	Yearly	Decrease sewer download
Sewer	Mains & Interceptor Relief Sewers	500,000.00	Yearly	Reconstruction of sanitary sewer
Park & Recreation	Swimming Pools/Park Improvements*	228,000.00	2000	Rehabilitate facilities
Park & Recreation	Bikeway System*	150,000.00	Ongoing	Repair & replace existing bikepaths
Park & Recreation	Courts (Tennis & Basketball)*	330,000.00	Ongoing	Repair or remove courts
Park & Recreation	Land Acquisition/Development*	247,800.00	Ongoing	Purchase new land or develop existing
				- Total yearly expense is an average
Park & Recreation	Park Lighting*	50,000.00	Yearly	Replace or provide lighting
Park & Recreation	Sidewalks & Park Paths*	40,000.00	Yearly	Construct & repair sidewalks & paths
Park & Recreation	Playground Rehabilitation & Equipment*	40,000.00	Yearly	Rehabilitate playgrounds

TOTAL PLANEVIEW

\$18,550,800.00

* The total amount listed is the project total and must be expended for the City as a whole. Only a portion of the total would be utilized in the NRAs but determining a specific amount is not possible at this time.

VIII. ELIGIBILITY REQUIREMENTS FOR A TAX REBATE (generally)

Tax rebates will be provided in the designated Neighborhood Revitalization Areas (See Appendix 1) subject to all Criteria for Determination of Eligibility (See Chapter IX.) being met and a complete tax rebate application being filed (See Chapter X). The tax rebates generally apply to rehabilitation, additions or new construction subject to the Criteria of Determination of Eligibility. A summary of the tax rebates by property types are listed in the following table:

Property Type	Percent of Rebate	Length of Rebate	Maximum Building Permit Value
Single Family Residential (New and Rehab)	95%	Five Years	No Limit
Multi-Family (New and Rehab)	75%	Five Years	\$500,000
Commercial and Industrial (New and Rehab)	75%	Five Years	\$250,000
Historic Properties** (New and Rehab)	95%	Five Years	No Limit

** For any historic property listed on the national, state or local historic register or located within a local designated historic district.

IX. CRITERIA FOR DETERMINATION OF ELIGIBILITY

- (a) Construction of an improvement must have begun on or after the date of the designation of the neighborhood revitalization area and be located within the Neighborhood Revitalization Area.
- (b) AN APPLICATION FOR A TAX REBATE **MUST** BE FILED WITHIN ONE HUNDRED EIGHTY (180) DAYS OF ISSUANCE OF A BUILDING PERMIT.
- (c) The minimum investment is \$10,000 for residential property, as determined by the building permit value. The maximum rebate is 95% for single family.
- (d) The minimum investment is \$10,000 for non-residential property and Multi-Family, as determined by the building permit value. The maximum rebate is 75% up to the maximum building permit value of \$500,000 for Multi-Family and \$250,000 for commercial/industrial.
- (e) Properties listed on the national, Kansas or local historical register or located within a designated historic district are eligible for a 95% rebate.
- (f) The improvements must conform to the City of Wichita's Comprehensive Land Use and Zoning Ordinance in effect at the time the improvements are made.
- (g) The new, as well as existing improvements on the property must conform to all applicable codes, rules, laws, ordinances and regulations in effect at the time the improvements are made , and for the length of the rebate or the rebate may be terminated.
- (h) Any property that is delinquent in any tax payment or special assessment shall not be eligible for any rebate or future rebate until such time that all taxes and assessments have been paid. If such delinquency occurs after entry into the rebate program, the owner shall have no more than 90 days to bring the taxes current. If such delinquency continues beyond 90 days, the property shall no longer be eligible for a rebate.
- (i) Tax rebates for multi-year projects shall be one-time rebates unless the applicant secures prior written approval of a phased plan.
- (j) The following improvements are not eligible for a tax rebate:
- Surface parking lots except as an accessory to a contiguous improvement
 - Multi-family housing except as defined hereinbelow
 - Railroads and utilities
 - Swimming pools, gazebos , new unattached garages and workshops. Rehabilitation of existing unattached garages (including accessory apartments) are eligible for rebates.
 - Mini warehouses
 - All property within a Tax Increment Financing District
 - Conversion of single family to multi-family housing units

- Mobile homes
- Any property located outside of USD #259
- Any property which has or will receive IRB financing and/or a tax abatement

Multi-Family Housing

The maximum rebate is 75% for new multi-family construction and multi-family rehabilitation (excludes conversion of single family to multi-family units) up to \$500,000 maximum building permit value.

Commercial/Industrial

Eligibility for commercial and industrial improvements is capped at a maximum of \$250,000 based on the value of the building permit. The maximum rebate is 75%.

(k) Case-by-Case Exceptions

The City Council has the option for a case-by-case review of individual blighted properties located outside of the Neighborhood Revitalization Area. The City Council also has the option to adjust rebates for individual properties located inside of the Neighborhood Revitalization Area on a case-by-case basis. All case-by-case reviews are at the applicant's cost and require:

- Application Fee of \$25
- Tax Rebate Application
- A Finding of Dilapidation
- A Cost/Benefit Analysis (Required for Multi-Family and Commercial/Industrial)
- Legal Description of Property
- Separate Assessed Value of Land and Buildings
- Owner of Record of the Structure

The Director of Finance shall have authority and discretion to approve or reject applications based on the foregoing criteria. The Director shall file a report with the City Manager identifying the basis for denying said application. The owner-applicant shall have the right to appeal said determination with the City Council. The City Manager shall have authority to make administrative adjustments to the tax rebate and HUD Neighborhood Revitalization Strategy Area programs as are necessary for the proper execution of the programs.

X. CONTENTS OF AN APPLICATION FOR A TAX REBATE

Applications for tax rebates should include the following information and be submitted on the following forms:

BY _____ DATE _____
(Applicant's Signature)

FOR FINANCE DEPARTMENT USE ONLY

As of _____ 199__ the assessed valuation is:

Land	\$	
_____ Improvements	\$	
Total	\$	

Based upon the above listed improvements and associated costs supplied by the applicant, the improvements [☐] MAY [☐] MAY NOT meet the percentage tests for a tax rebate.

By _____ Date

PART 2

STATUS OF CONSTRUCTION COMPLETION

INCOMPLETE PROJECT AS OF JANUARY 1 FOLLOWING COMMENCEMENT [☐]

COMPLETE PROJECT AS OF JANUARY 1 FOLLOWING COMMENCEMENT [☐]

BY _____ DATE

(Property owner's signature)

FOR COUNTY APPRAISER'S USE ONLY

THE ABOVE IMPROVEMENTS ASSESSED VALUE IS:

	PRIOR TO IMPROVEMENT	AFTER IMPROVEMENT	AMOUNT SUBJECT TO REBATE
Land	\$ _____	\$ _____	\$ _____
Improvements	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____

By _____ Date
(Sedgwick County Appraiser's Office)

FOR COUNTY CLERK'S OFFICE ONLY

AS OF _____ 199__ TAXES ON THIS PARCEL ARE [☐] ARE NOT [☐] CURRENT.

By _____ Date
(Sedgwick County Clerk's Office)

FOR CITY FINANCE DEPARTMENT USE ONLY

THE ABOVE APPLICANT [☐] IS [☐] IS NOT IN CONFORMANCE WITH THE REQUIREMENTS OF THE CITY OF WICHITA NEIGHBORHOOD REVITALIZATION PROGRAM.
REASON APPLICANT IS NOT IN CONFORMANCE

Finance Department By _____ Date _____ 199__

XI. APPLICATION PROCEDURE

Overview of Process

The City will offer and advertise the availability of the tax rebate program periodically throughout the year. Persons or businesses planning improvement projects may submit an application to the Economic Development Office, Finance Department, at any time for a predetermination of eligibility. The improvement plan will stipulate the type of improvement to be made, renderings, a time table for completion and any supporting documents appropriate for the type of application. Prior to beginning the project, the owner shall apply for a building permit which shall be attached to the application. Once the application and the building permit have been submitted, the Economic Development Office, Finance Department, shall authorize approval of the project. At completion, the owner shall request a reappraisal by the county appraiser which will determine the property value and shall be used to calculate the tax value increment added by the improvements. At the customary time, the County Treasurer shall mail tax statements based on the new appraised value. The property owner shall submit proof of payment of the entire tax bill to the County Treasurer to initiate the tax rebate procedure. Only the increase in taxes will be rebated less any applicable administrative fees. By law, the rebate must be issued within thirty days after proof of payment has been submitted by an approved applicant. Only projects which have been predetermined to be eligible shall receive a rebate.

TAX REBATE APPLICATION PROCEDURE

1. The applicant shall obtain an Application for Tax Rebate from the Economic Development Office, Finance Department, 12th Floor, City Hall, 455 North Main, Monday through Friday (excepting holidays) from 8:00 a.m. to 5:00 p.m.

How To/Where To

This program is scheduled to begin receiving applications on July 1, 1998 and after its adoption by the governing body of the City of Wichita and the execution of Inter-local Agreements with Sedgwick County and the Board of Education of Unified School District #259. Thereafter, the City will process applications as they are submitted with no monthly or quarterly deadlines. Applications will be available in the Economic Development Office, Finance Department, 12th Floor, City Hall, 455 North Main and posted with local lenders and real estate agents.

Questions about the program should be directed to the Economic Development Office, Finance Department, at 268-4502.

The County Treasurer will perform the calculation of the final rebate amount based on the actual appraised value. Each month in which rebates are paid, the Treasurer will submit a report to the City Finance Department showing the property before and after appraisal and the amount of the rebate.

The Finance Department is responsible for reporting the status of rebates actually made on behalf of property owners during the rebate period. Such report shall include the number of applications received, number approved, number of rebates issued, total dollar value of rebates paid and other matters deemed necessary by the governing body of the City of Wichita.

2. The applicant shall complete and sign Part I of the application and file the original with the Economic Development Office, Finance Department, within one hundred eighty (180) days of issuance of the building permit. A valid copy of the building permit must be attached to the application.

3. The Economic Development Office, Finance Department, shall determine if the taxes and special assessments are current.
4. The Economic Development Office, Finance Department, will return the application to the applicant. The applicant shall certify the status of the improvement project as of January 1 by completing and signing PART 2 of the application. The applicant shall file the application with the Sedgwick County Appraiser's Office on or before December 1.
5. Following January 1, the Sedgwick County Appraiser shall conduct an on-site inspection of the construction/rehabilitation project and determine the base value and new valuation of the real estate as of January 1 and shall complete their portion of the application and shall report the new valuation to the Sedgwick County Clerk by June 1. The tax records on the project shall be revised the Sedgwick County Clerk's office.
6. Upon determination by the Appraiser's Office of the value of the improvements and a determination by the County Clerk's office that the taxes and assessments are not delinquent, the Economic Development Office, Finance Department, shall certify that the project does or does not meet the requirements for a tax rebate and shall notify the applicant of the rebate due for each year of the rebate period.
7. Upon payment of the real estate tax for the subject property for the initial and each succeeding tax year extending through the specified rebate period, a tax rebate shall be made to the applicant less applicable administrative fees as

specified in the Interlocal Agreements. The tax rebate shall be made within thirty (30) days following each tax distribution date and submittal of proof of payment of taxes by the applicant to the Finance Department. The tax rebate shall be made by the Sedgwick County Treasurer through the Neighborhood Revitalization Fund established in conjunction with the City of Wichita and other taxing units participating in the Interlocal Agreement. The Finance Department shall make periodic reports of the tax rebate program to the City Council and other taxing units accordingly.

8. The Economic Development Office, Finance Department, shall inform the County Clerk and the County Treasurer thirty (30) days prior to the expiration of the final rebate period for each property receiving a tax rebate.

XII. STANDARD AND CRITERIA FOR REVIEW

- (a) Construction of an improvement must have begun on or after the date of the designation of the neighborhood revitalization area and be located within the Neighborhood Revitalization Area.
- (b) AN APPLICATION FOR A TAX REBATE **MUST** BE FILED WITHIN ONE HUNDRED EIGHTY (180) DAYS OF ISSUANCE OF A BUILDING PERMIT.
- (c) The minimum investment is \$10,000 for residential property, as determined by the building permit value. The maximum rebate is 95% for single family.

- (d) The minimum investment is \$10,000 for non-residential property and Multi-Family, as determined by the building permit value.

The maximum rebate is 75% up to the maximum building permit value of \$500,000 for Multi-Family and \$250,000 for commercial/industrial.

- (e) Properties listed on the national, Kansas or local historical register or located within a designated historic district are eligible for a 95% rebate.
- (f) The improvements must conform to the City of Wichita's Comprehensive Land Use and Zoning Ordinance in effect at the time the improvements are made.
- (g) The new, as well as existing improvements on the property must conform to all applicable codes, rules, laws, ordinances and regulations in effect at the time the improvements are made, and for the length of the rebate or the rebate may be terminated.
- (h) Any property that is delinquent in any tax payment or special assessment shall not be eligible for any rebate or future rebate until such time that all taxes and assessments have been paid. If such delinquency occurs after entry into the rebate program, the owner shall have no more than 90 days to bring the taxes current. If such delinquency continues beyond 90 days, the property shall no longer be eligible for a rebate.
- (i) Tax rebates for multi-year projects shall be one-time rebates unless the applicant secures prior written approval of a phased plan.
- (j) The following improvements are not

eligible for a tax rebate:

- Surface parking lots except as an accessory to a contiguous improvement
- Multi-family housing except as defined hereinbelow
- Railroads and utilities
- Swimming pools, gazebos, new unattached garages and workshops. Rehabilitation of existing unattached garages (including accessory apartments) are eligible for rebates.
- Mini warehouses
- All property within a Tax Increment Financing District
- Conversion of single family to multi-family housing units
- Mobile homes
- Any property located outside of USD #259
- Any property which has or will receive IRB financing and/or a tax abatement

Multi-Family Housing

The maximum rebate is 75% for new multi-family construction and multi-family rehabilitation (excludes conversion of single family to multi-family units) up to \$500,000 maximum building permit value.

Commercial/Industrial

Eligibility for commercial and industrial improvements is capped at a maximum of \$250,000 based on the value of the building permit. The maximum rebate is 75%.

(k) Case-by-Case Exceptions

The City Council has the option for a case-by-case review of individual blighted properties located outside of the Neighborhood Revitalization Area.

The City Council also has the option to adjust rebates for individual properties located inside of the Neighborhood Revitalization Area on a case-by-case basis. All case-by-case reviews are at the applicant's cost and require:

- Application Fee of \$25
- Tax Rebate Application
- A Finding of Dilapidation
- A Cost/Benefit Analysis (Required for Multi-Family and Commercial/Industrial)
- Legal Description of Property
- Separate Assessed Value of Land and Buildings
- Owner of Record of the Structure

The Director of Finance shall have authority and discretion to approve or reject applications based on the foregoing criteria. The Director shall file a report with the City Manager identifying the basis for denying said application. The owner-applicant shall have the right to appeal said determination with the City Council. The City Manager shall have authority to make administrative adjustments to the tax rebate program as are necessary for the proper execution of the program.

The City Manager may make administrative adjustments to the HUD Neighborhood Revitalization Strategy Area programs as are necessary.

XIII. AMOUNT OF REBATE AND MAXIMUM TERM

Tax rebates will be provided in the designated Neighborhood Revitalization Areas (See Appendix 1) subject to all Criteria for Determination of Eligibility (See Chapter IX.) being met and a complete tax rebate application being filed (See Chapter X). The tax rebates generally apply to rehabilitation, additions or new construction subject to the Criteria for Determination of Eligibility. A summary of the tax rebates by property types are listed in the following table:

Property Type	Percent of Rebate	Length of Rebate	Maximum Building Permit Value
Single Family Residential (New and Rehab)	95%	Five Years	No Limit
Multi-Family (New and Rehab)	75%	Five Years	\$500,000
Commercial and Industrial (New and Rehab)	75%	Five Years	\$250,000
Historic Properties** (New and Rehab)	95%	Five Years	No Limit

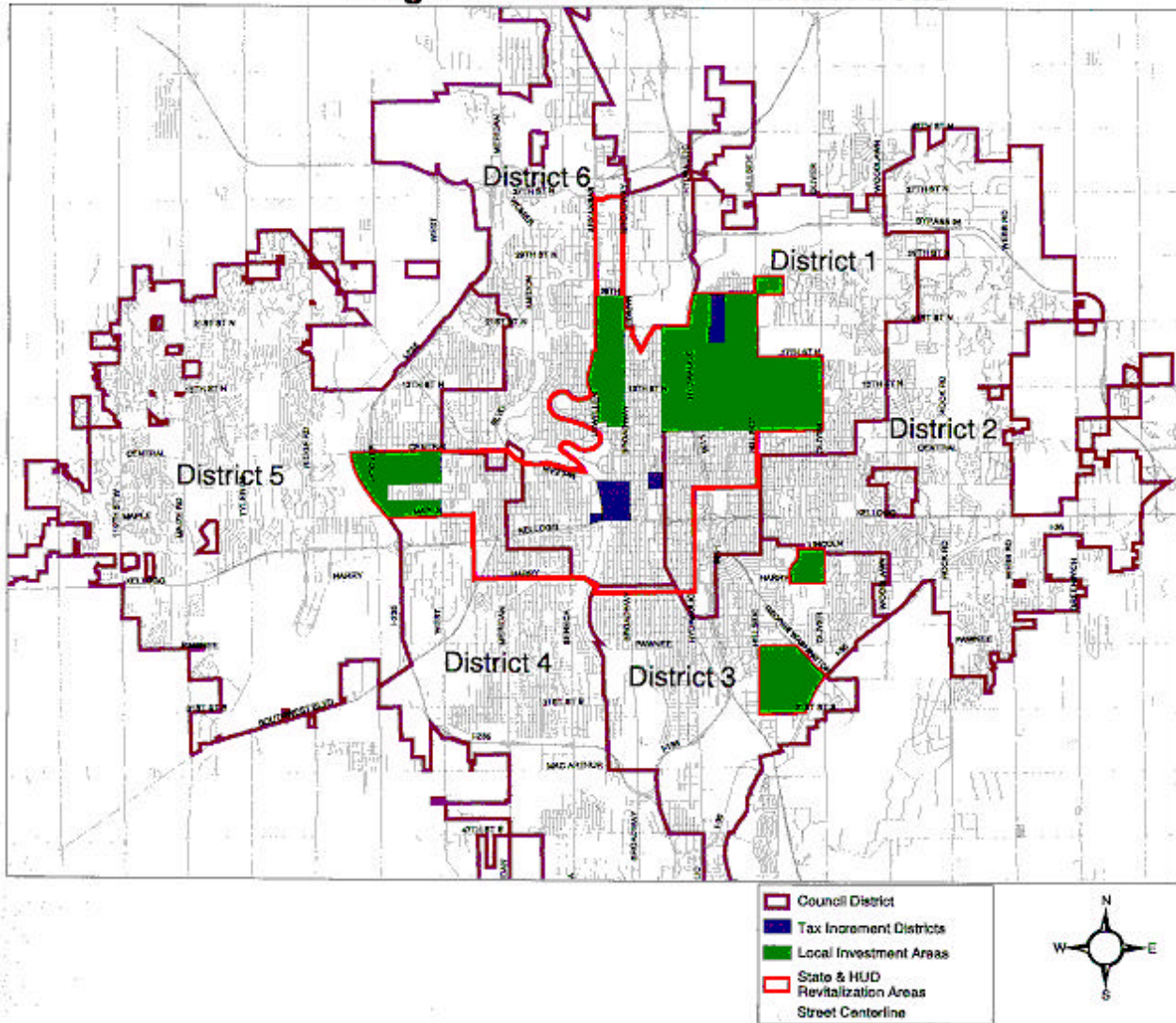
**For any historic property listed on the national, state or local historic register or located within a local designated historic district.

The Neighborhood Revitalization Program will operate from July 1, 1998 through June 30, 2003. The City Council will annually review the Neighborhood Revitalization Program and make such adjustments or amendments as it deems necessary.

XIV. NEIGHBORHOOD REVITALIZATION TRUST FUND

The governing body of the City of Wichita hereby authorizes the establishment of a Neighborhood Revitalization Trust Fund in accordance with the provisions of K.S.A. 12-17,118.

Neighborhood Revitalization Areas



ADDENDUM TO NEIGHBORHOOD REVITALIZATION PLAN
CITY OF WICHITA
DECEMBER 18, 1998

The City of Wichita anticipates that significant job creation will result from implementation of the Economic Development Initiatives (EDI) funds and other economic development and employment efforts creating additional opportunities for residents of the Neighborhood Revitalization Areas. This document summarizes the role of the EDI/108 program in supporting these goals and other local efforts which are being mobilized to address the employment and economic development needs of Neighborhood Revitalization Area residents.

ECONOMIC DEVELOPMENT
INITIATIVES GRANT

Support of NRA Goals and Approach

The proposed small and minority loan program using EDI/108 funds addresses the needs listed in Consolidated Plan in a variety of ways. It provides economic empowerment to previously disenfranchised populations who have not shared in the economic growth of the community. By targeting the funding to the HUD Neighborhood Revitalization Strategy Areas it addresses the need for small and minority businesses to be able to locate and serve their own market and who have the least ability to relocate because their customer or supplier base is located within the Neighborhood Revitalization Strategy Areas. It substantially increases through EDI/108 Loans for small and minority businesses within the NRSAs the capital availability which they do not have. It addresses the need to provide down payment assistance to small and minority businesses by providing thirty-six months of interest

only payments on the Section 108 Loan and provides up to a twelve-month interest deferral during first twelve months using EDI funds. Banks and the Small Business Administration (SBA) will count EDI and Section 108 Loans as equity contributions increasing the down payment to 40% (10% borrower and 30% Section 108) making the loan to value ratio go up increasing the number of loans that can be made. Both the banks and the Small Business Administration have stated this program feature will make many more loans financially feasible and available than would otherwise occur using traditional methods.

The proposed program also addresses the need to provide technical assistance and education to make small and minority business loans truly available to those who **most** need access to capital. Lenders have made clear through credit analysis that those who do not currently qualify for loans now will qualify under the proposed plan because of the comprehensive nature of the front-end technical assistance being provided in this program. EDI funds will be used to pay fees to "grass roots" economic organizations to provide education, application preparation assistance and application processing assistance for prospective small and minority businesses.

Insofar as the ability to produce demonstrable results, there is nothing more rapid to economic development and neighborhood revitalization than **ensuring funding goes directly to a target area** and by making investment capital available to start up businesses.

Job creation is required and an it estimated the project will generate a minimum of 115 jobs, of which 100% are presumed to benefit low and moderate income person because the 100% of the loans are targeted to businesses located in or serving the HUD Neighborhood Revitalization Strategy Areas.

The model proposed by the City of Wichita is *unique*. The City is not creating a new local government bureaucracy to provide government loans to businesses. The City is using EDI/108 funds to break the logjam at banks for lending to small and minority businesses which would not otherwise qualify for loans. Existing organizations and structure will be utilized by tapping into multiple “grass roots’ economic development organizations to serve as the chief intake points and by providing funds through EDI so these agencies will provide loan applicants education, application preparation and application processing assistance and perform basic loan origination.

All applications for loans will be screened by a screening committee consisting of the City and the lenders. Loans will be subject to loan policies approved by the City Council. Loans approved by the committee will be presented to HUD and issuing lender for final approval. The City is using three existing banks to serve as the underwriters and actual loan issuers through their existing loan issuing structure on a rotating basis. The lending banks will contract out for loan servicing for all loans.

The proposed program addresses the needs identified in the HUD Consolidated Plan, 1998/99 One-Year Action Plan which contains the Neighborhood Revitalization Plan. This Plan states the EDI/108 will be part of the comprehensive five year plan

HUD Neighborhood Revitalization Plan to focus local, state and federal resources in concentrated target areas to have a demonstrable visual impact on the area and improve the economic well-being of low and moderate income households who are the chief residents of the Neighborhood Revitalization Areas. The Neighborhood Revitalization Plan is a not just a plan for housing. The Plan addresses housing, infill new construction with local incentives, property tax rebates for new construction and renovation of residential, commercial, industrial and historic properties using State authority and commits more than \$150 million in local tax funds to improve public infrastructure and focuses millions of dollars per year of CDBG and HOME funds in the target area are just a few the features of this Plan The EDI/108 funds play a key role in stimulating retail, service and manufacturing companies both for start-up and existing small business enterprises with the Neighborhood Revitalization Strategy Areas.

The proposed program also incorporates a welfare to work component that will utilize the Small Business Administration “Blue Card” program. This program is designed to place 200,000 welfare recipients in productive employment by the year 2000. The “Blue Card” program provides new or existing businesses tax incentives for hiring welfare recipients. Local nonprofits, under contract to the State of Kansas welfare-to-work program (KanWork), maintain a list of public assistance recipients and provide services necessary to enable such persons to obtain and retain employment. Under this program, companies receiving 108 Loans will also receive a “Blue Card” which they can use to contact the nonprofits for possible hiring of welfare recipients.

This will provide important tax benefits to small and minority businesses and assistance in hiring and retaining public assistance recipients.

Capacity to Carry Out EDI Program

The administrative structure for the program include four “grass roots” economic development organizations who will provide intake, education, application preparation assistance, and application processing prior to the submission of loans to the lending consortium. There are four non-profit agencies involved in the intake process.

South Central Kansas Economic Development District was established in 1972 to serve 14 counties in South Central Kansas. South Central Kansas Economic Development District blends a variety of public and private funds for economic development. Its direct loan portfolio totals \$3.5 million with investments in over 150 projects. These funds are linked to three federal agencies: Economic Development Administration-\$1.8 million; Rural Development, U. S. Department of Agriculture-\$2 million and the Small Business Administration Micro Loan Program-\$1.4 million. In addition, this agency is certified by the Small Business Administration to make Section 504 loans and has a current portfolio of almost \$12 million invested in 46 projects. The totals for all SCKEDD projects since 1972 are: 576 projects; \$170 million in loans and 7,746 jobs created.

The Wichita State University Small Business Development Center is jointly funded by the U.S. Small Business Administration and the Kansas Department of Commerce and Housing. SBDC provides a wide range of management/technical services including management assistance, resource referrals, business information,

counseling, business plan development and training to small business owners (and potential owners) and investors to enhance the success of small business ventures. SBDC has been in operation since 1986 and has four full time staff.

The Kansas Minority Business Development Council is a 501 (c)(3) that specializes in the certification, referral and training of minority businesses in Kansas. As a satellite affiliate of a twenty-five year old national network its experienced and professional staff are uniquely positioned to successfully provide the services required for the EDI grant.

The Wichita Technology Corporation is a 501 (c)(3) corporation in which managerial, financial and research capabilities are uniquely combined to assist start-up companies transfer new technologies to the market place. The Wichita Technology Corporation was created through a partnership between Kansas Technology Enterprise, Wichita State University and Wichita Area Development. Its purpose is to foster the creation and growth of technology-based businesses in Kansas. It provides a wide range of services including business plan consulting, market research, management and operation assistance, competitor analysis, accounting assistance, incubation assistance, patent and trademark assistance and equity financing. In addition, a seed capital fund is available through Wichita Technology Ventures, providing early-stage financing for promising technologies with commercialization potential. Wichita Technology Corporation has helped companies receive over \$4 million in equity financing.

Bank of America is the largest bank in the United States (based on deposits). It is the largest minority lender in the U.S. and is Wichita's largest bank. During 1997, Bank of America made \$2.7 billion in loans to minorities and \$2.5 billion in loans to low and moderate income areas.

It is also the number one small business lender in the United States and the Midwest Region and has been certified as a "Preferred Lender" by SBA. Intrust Bank is the second largest bank in Wichita, and has deposits totaling \$1.55 billion dollars. In 1993, Intrust merged with Kansas State Bank and Trust Company nearly doubling its size and significantly adding to its customer base. It now has 26 branch locations in the Wichita area. Commerce Bank is the third largest bank in Wichita.

Leverage of Section 108 Funds

The City of Wichita EDI/Section 108 loan program will directly leverage \$6 million in commercial bank loans for small and minority-owned businesses located in or serving the NRA target areas. As stated in the preceding section, Section 108 loans will be made only when matched on a 2:1 basis by commercial bank loans. In fact, the financial feasibility of the program is based in large part on the commitment of participating lenders to perform the due diligence and loan underwriting analysis on each loan, and then place their own money at risk.

At present, three banks (Bank Of America, INTRUST and Commerce) have committed \$6 million to the EDI/Section 108 loan program. Other banks are expected to join the program later.

In addition to the above, as part of the Neighborhood Revitalization Program, the City has established the Neighborhood

Stabilization Fund with an annual appropriation of CDBG funds. The 1998 appropriation was in the amount of \$700,000 and a like amount is expected for 1999. Moneys in this fund are earmarked for use in supporting housing and/or economic development activities in the NRA target area. In 1998, \$350,000 from this fund has been pledged as a loan to a minority-owned business for the conversion of a closed supermarket into a small business center. When the EDI/Section 108 loan program is operational, moneys in this fund will be available, as grants or "soft-second" loans, to assist projects financed with Section 108 loans.

Financial Feasibility

The financial feasibility of the proposed EDI/Section 108 loan program is based in large part on the assumption that banks are generally better suited to make good loans than are government agencies. In any given project funded by the EDI/Section 108 loan, a local commercial lender will have twice as much at stake in the project as will the City. The City will depend on the banks to perform the due diligence and credit analysis needed and will not make a Section 108 loan that is not approved for a bank loan for twice the amount of the Section 108 loan.

The City has met extensively with a group of local bankers who are active in making business loans in the Wichita area. The bankers are unanimous in identifying the City's Neighborhood Revitalization Area (NRA) as having the highest concentration of rejected business loan applications in the Wichita area.

According to the bankers, this is caused by two major factors: (1) poor credit quality of some borrowers and (2) inability of most borrowers in the area to provide a sufficient amount of down payment (equity).

The bankers acknowledge the relationship between the two causes, and that increasing the loan-to-value ratio improves the quality of the borrower's credit. The participating lenders agree that the infusion of a Section 108 loan into a project will address the second factor cited above, and will make possible many more loans in the NRA target area than would otherwise be made.

The City has also met with local officials of the Small Business Administration (SBA), which will be called upon by the banks to provide partial guarantees for many of the bank loans made under the proposed EDI/Section 108 loan program.

They advise that by structuring the Section 108 loan with interest only payments during the first three years, the amount of the 108 loan can be counted as part of the down payment for the purpose of qualifying the bank loan for an SBA guarantee. To enhance this aspect, the City proposes to use a portion of the EDI grant funds to make Section 108 interest payments for the first 12 months of the loan. A copy of the SBA's underwriting criteria is included in the EDI application as Appendix 6.

Another significant deficiency cited by both bankers and SBA officials is a lack of experience and sophistication on the part of many small and minority businesses in preparing the documentation required as part of the loan approval process. There are several grassroots economic development organizations in Wichita that exist in order to address this very problem, but who have been frustrated by the lack of loan activity

among their target clientele. The assistance that these organizations provide includes counseling on project feasibility and funding strategies, business plan development, preparation of loan applications and loan servicing. The City proposes to set aside 2.25% of each EDI draw to fund educational and technical assistance provided to borrowers by local economic development agencies. In addition, a 0.375% spread will be added to the Section 108 loan rate to pay servicing fees to these agencies.

The City recognizes the risk inherent in any small business loan program and the contingency that a failure on the part of a borrower to make a Section 108 loan payment may result in a reduction in the City's next CDBG grant amount. To address this, the City proposes to use 75% of each EDI draw as a debt service reserve, to be used only to make Section 108 loan payments when the borrower is unable to make them. This will provide sufficient funds to make Section 108 interest payments, if necessary, for the full 36-month interest-only period. A separate reserve fund will be established for each Section 108 loan that is made. EDI-funded debt service reserve funds that are not expended at the time that the Section 108 loan is fully repaid will be captured by the City as program income and used to keep the EDI/Section 108 loan program going after the full amount of the original EDI grant has been drawn.

The interest rate on the Section 108 loans will be determined by HUD, both with respect to interim financing and permanent financing, and this rate will be passed on to the borrower.

The only adjustment to the interest rate that is contemplated is the additional 0.375% that will be passed on to third party loan servicers, mentioned above.

The City does not anticipate the need to impose an additional spread to the Section 108 rate.

To summarize, the City proposes to use full amount of the EDI/108 funds as follows:

Debt Service Reserve	\$ 750,000
Sec. 108 Interest Payments	182,500
Technical Assistance to Borrowers	<u>67,500</u>
Total EDI Funds	\$1,000,000
 Total 108 Loans	 \$3,000,000
Total Bank Loans	<u>\$6,000,000</u>
Total Loan Pool	\$9,000,000
 CDBG Funds-Interest Payments	 \$ 67,500
 Grand Total	 \$10,076,000

Comprehensiveness/Structure

The proposed project promotes participation in the City of Wichita's HUD Consolidated Plan in a number of ways. The HUD approved Neighborhood Revitalization Plan, part of the City's Consolidated Plan, 1998/99 One Year Action Plan was developed in consultation with businesses throughout the Neighborhood Revitalization Strategy Areas, Citizen Participation Organizations, Wichita Independent Neighborhoods and the public. The Neighborhood Revitalization Plan specifically lists a need for an Economic Development program providing loans for small and minority business using EDI/108 funds (see page 15 of the Neighborhood Revitalization Plan). In addition, the City's 1995-99 HUD Consolidated Plan lists Priority Needs, which were developed through extensive citizen participation and the input of over 120 community agencies. Priority Need #12, which is a high priority for funding, states the **need for small**

business development. This project addresses both the five year HUD Consolidated Plan and the One Year Action Strategy. It should be noted the Neighborhood Revitalization Plan which is part of the HUD Consolidated Plan is a new, five year plan, initiated July 1, 1998 and ends June 30, 2003. All the efforts of the EDI/108 program will coordinated specifically with the HUD Consolidated Plan/Neighborhood Revitalization Plan activities including, but not limited the property tax rebate program for residential, commercial and industrial properties, the \$150 million public infrastructure program and millions of dollars per year of CDBG and HOME funds targeted to the Neighborhood Revitalization Areas.

For example, the City is already working with the Chamber of Commerce, South Central Kansas Economic Development District, State of Kansas Department of Commerce, five Community Housing Development Organizations and two Community Development Corporations as a part of the Neighborhood Revitalization Plan. The City has been actively working with Power CDC (a minority CDC) to develop new single family affordable housing units along 21st Street and to develop a new, full- service grocery store near 13th and Grove. Construction and renovation jobs will be created using the tax rebate program and the focused use of \$2.5 million per year (for five years) for housing development in the NRAs. Job training funds will be provided to appropriate businesses for training capital for low and moderate income workers using the City of Wichita's Job Training Partnership Act (JTPA) funds. Where possible, the City will explore using Kansas Industrial Training (KIT) funds, Kansas SKIL training funds and KanWork training funds to leverage training efforts. Extensive networking, coordination and collaboration has been undertaken with community agencies and groups to ensure a comprehensive solution to the need for small business development and avoid duplication. The proposed program is a unique public/private partnership model in that it requires no new staff or bureaucracy to operate the program.

It takes advantage of the synergistic skills of a number of existing for-profit and non-profit agencies to provide expertise in specific areas ensuring a holistic, comprehensive delivery system. A list of the partners with the City of Wichita in the EDI/Section 108 program, their role, and written agreements are as follows:

Bank of America

Role: Lender, coordinator and liaison with all other lending institutions. Member of loan review committee.

Agreements: Secured written financial commitments and letter of understanding. Detailed contracts to follow award.

Intrust Bank

Role: Lender and member of loan review committee.

Agreements: Secured written financial commitments and letter of understanding. Detailed contracts to follow award.

Commerce Bank

Role: Lender and member of loan review committee.

Agreements: Secured written financial commitments and letter of understanding. Detailed contracts to follow award.

South Central Kansas Economic Development District

Role: Grass roots economic development organization which will provide SBA micro loan assistance and EDI/108 education, application assistance and loan origination services.

Agreements: Secured letter of understanding. Detailed contract to follow award.

Kansas Minority Business Development Council

Role: Grass roots economic development organization which will provide EDI/108 education, application preparation assistance and loan origination.

Agreements: Secured letter of understanding. Detailed contract to follow award.

Wichita Technology Corporation

Role: Grass roots economic development organization which will provide EDI/108 education, application preparation assistance and loan origination.

Agreements: Secured letter of understanding. Detailed contract to follow award.

Small Business Development Center

Role: Grass roots economic development organization which will provide EDI/108 education, application preparation assistance and loan origination.

Agreements: Secured letter of understanding. Detailed contract to follow award.

Wichita State University Center for Business and Economic Research and Hugo Wall Center for Urban Studies

Role: Will develop and produce outcome measurement study of EDI/108 program and disseminate results to City Council, HUD, EDI partners and community groups.

Agreements: Secured letter of understanding. Detailed contract to follow award.

Small Business Administration

Role: Provide "Blue Card" welfare-to-work program, tax assistance and loan guarantees.

Agreements: Secured letter of support. Letter of Understanding to follow award.

HUD Kansas/Missouri Office

Role: Provide national technical assistance in establishing detailed guidelines for program.

Agreements: Letter of support secured. Detailed contract to follow award.

OTHER EFFORTS TO IMPROVE NRA AREAS

In addition to the EDI program, a number of other efforts are underway within the Neighborhood Revitalization Strategy Areas to promote employment and enhance economic opportunity. The City of Wichita is using CDBG funding to provide the ability for small and minority businesses to directly develop, manage and own businesses. Two primary examples are the 21st and Oliver Small Business Center and the New Horizon Retail Center, both in the 21st Street Corridor. Under both programs, the City is partnering with two different minority faith-based corporations to develop, construct/reconstruct, lease and manage small business centers for both new and expanding businesses. Both small business centers are valued at \$1,000,000 each and will provide business opportunities to area businesses and provide convenient services to area residents while furthering the revitalization of the 21st Street Corridor. At least 22 jobs will be created or retained by the 21st and Oliver project.

The City also operates two major employment programs targeted at low/moderate income and public assistance recipients. Under the Welfare to Work program, the City will receive approximately \$2.4 million dollars in federal and state assistance to assist public assistance recipients in transitioning from welfare to productive employment. The chief partner in this program is the Kansas State Department of Social and Rehabilitation Services (SRS) who operates public assistance programs in Kansas. This program goal's is placement of 50% of participants in unsubsidized employment at an average wage of at least \$7/per hour. Total placements are estimated at 75 persons.

The City also operates the Workforce Investment Act (WIA) program which is a \$1.5 million dollar employment and training program for both youth and adults. Chief partners in this program include: Diversified Educational, Training and Manufacturing Company (DETMTC), State Department of Social and Rehabilitation Services (SRS), Cessna 21st Street, Wichita Area Vocational Technical School and various community colleges. This program's goal is placement of 65% of participants in unsubsidized

employment at an average wage of at least \$8/per hour. Total placements are estimated at 122. Both programs target low and moderate income persons and public assistance recipients and a majority of their clientele are Neighborhood Revitalization Area residents.

It is anticipated through these efforts and others, employment opportunities will be enhanced. Estimated employment to be generated by these activities are as follows:

Cessna 21st Learning and Work Campus
Economic Development Initiatives Program
21st and Oliver Small Business Center
Work Force Investment/Welfare to Work
Total Estimated Jobs

115 jobs over three years
115 jobs over three years
22 jobs over the next year
351 jobs over the next year
603 jobs

Through four Kansas Department of Commerce and Housing grants totaling \$52,500, the City is undertaking development of neighborhood sector plans and a visioning process with neighborhood residents to define priorities for redevelopment and improvement. The State grants will address the Hilltop, Orchard Breeze and Midtown Local Investment Areas and the Center City area. Completion of the plans in 1999 will permit the City to proceed with revitalization in these areas based on a common vision with neighborhood residents, Citizen Participation Organizations and Neighborhood Associations. The City has already developed Neighborhood Sector Plans for the Northeast and Planeview Local Investment Areas.

In addition, the City is currently undertaking a major marketing campaign to inform Neighborhood Revitalization Area and Local Investment Area residents and businesses and community organizations of

the various programs and services available under the Neighborhood Revitalization Plan. The City has appointed a single point of contact for the Neighborhood Revitalization Plan and initiated presentations to citizen organizations to fully inform residents of the programs and services.

CLARIFICATION OF NRA BOUNDARIES

The legal boundaries of the Neighborhood Revitalization Plan have been amended to include the Orchard Breeze area within the Core Area Neighborhood Revitalization Strategy Area. The Orchard Breeze Local Investment Area remains as described in the amended plan, but the Local Investment Area is strictly a local designation. For the purposes of meeting the HUD eligibility requirements for Neighborhood Revitalization Strategy Areas, Orchard Breeze is considered a part of the Core Area Neighborhood Revitalization Strategy Area.